

Message Text

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ORIGIN EA-12

INFO OCT-01 EUR-12 ISO-00 EB-08 L-03 AID-05 SSO-00
NSCE-00 INRE-00 SS-15 PM-05 COM-02 CIAE-00 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 OMB-01 /095 R

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O 062224Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO IMMEDIATE
INFO AMEMBASSY BANGKOK IMMEDIATE
AMEMBASSY MANILA IMMEDIATE
AMEMBASSY SINGAPORE IMMEDIATE
AMCONSUL HONG KONG IMMEDIATE
AMEMBASSY KUALA LUMPUR IMMEDIATE
AMEMBASSY JAKARTA IMMEDIATE
AMEMBASSY VIENTIANE IMMEDIATE
AMEMBASSY BONN IMMEDIATE
AMEMBASSY PARIS IMMEDIATE
AMEMBASSY MOSCOW IMMEDIATE
USLO PEKING IMMEDIATE
USS HAROLD HOLT IMMEDIATE
CINCPAC HONOLULU HAWAII IMMEDIATE 0744

C O N F I D E N T I A L STATE 170724

USS HAROLD HOLT PLEASE PASS HOLBROOKE, CINCPAC PASS BROWN

E.O. 11652: GDS

TAGS: EAID, JA, VM

SUBJECT: JAPANESE-VIETNAMESE LOAN AGREEMENT
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1. JAPANESE EMBOFF ASAMI CALLED ON DEPARTMENT JULY 6. ASAMI
SAID THAT HE HAD BEEN INSTRUCTED TO GIVE US ADVANCE NOTICE
THAT VICE FOREIGN MINISTER ARITA
AND VIETNAMESE VICE FOREIGN MINISTER PHAN
HIEN WOULD SIGN AN EXCHANGE OF NOTES ON BEHALF OF THEIR RE-
SPECTIVE FOREIGN MINISTERS DURING AFTERNOON OF JULY 7

WHEREBY GOJ WOULD AGREE TO EXTEND 10 BILLION YEN DEVELOPMENT LOAN TO VIETNAM.

2. ACCORDING TO ASAMI, VIETNAM WILL AGREE TO REPAY LOAN AT 2.75 PERCENT INTEREST OVER 20 YEAR PERIOD, FOLLOWING 10 YEAR GRACE PERIOD. ASAMI SAID THAT GOJ CALCULATES "GRANT ELEMENT" AT 59.75 PERCENT, ACCORDING TO DEVELOPMENT ASSISTANCE COMMITTEE CRITERIA.

3. ASAMI SAID THAT DURING LATE APRIL 1978 CALL ON ASSISTANT SECRETARY HOLBROOKE, AMBASSADOR TOGO HAD INDICATED THAT SRV-GOJ TALKS ON OUTSTANDING DEBT QUESTION HAD BEEN SUCCESSFULLY CONCLUDED AND HAD INFORMED HOLBROOKE OF JAPANESE INTENTION TO EXTEND LOAN TO SRV OF THIS GENERAL MAGNITUDE.

4. ASAMI PROVIDED US A LIST OF COMMODITIES, MACHINERY AND RAILROAD AND MARITIME EQUIPMENT WHICH VIETNAMESE HAD EXPRESSED INTEREST IN ACQUIRING WITH LOAN FUNDS. ASAMI STRESSED THAT LOAN WAS UNTIED, AND THAT VIETNAMESE WERE FREE TO MAKE PURCHASES WITH SUPPLIERS OF THEIR CHOICE. ASAMI DID NOTE, HOWEVER, THAT THE JAPANESE HAD STIPULATED LOAN WAS FOR RECONSTRUCTION PURPOSES AND THAT VIETNAMESE HAD PLEDGED NOT TO USE FUNDS FOR MILITARY EQUIPMENT.

5. DURING CONVERSATION, ASAMI SAID THAT INSTRUCTIONS HE
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WAS READING FROM HAD ALSO GONE TO JAPANESE EMBASSIES IN ASEAN CAPITALS, BONN AND PARIS. MOSCOW AND PEKING HAD RECEIVED INFORMATION COPIES BUT HAD NOT REPEAT NOT BEEN INSTRUCTED TO GIVE ADVANCE NOTICE TO THEIR HOST GOVERNMENTS. ASAMI DID GIVE THE IMPRESSION, HOWEVER, THAT IN VIEW OF SENSITIVE STATE OF JAPANESE PRC NEGOTIATIONS OVER FRIENDSHIP TREATY, ANNOUNCEMENT WOULD COME AS NO SURPRISE TO PEKING.

6. ASAMI ASKED THAT INFORMATION REGARDING LOAN BE KEPT
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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